

Section 101 Rejection of Claims 1 - 59

Claims 1 - 59 stand rejected as being non-statutory. In particular, the Examiner asserts that the claims are not statutory because "the claims merely manipulate data using an abstract mathematical algorithm without any limitation to any practical application in the technological arts". Applicants respectfully traverse these grounds of rejection.

A process is statutory, even if it did consist solely of mathematical operations or abstract ideas (e.g., it is an "algorithm"), so long as it has some practical application. In other words, even an algorithm is patentable if "applied in a 'useful' way." *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 USPQ2d 1596, 1601 (Fed. Cir. 1998) cert. denied, 119 S.Ct. 851 (1999). The proscription against patenting of mathematical algorithms is narrowly limited to mathematical algorithms in the abstract. *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999).

The claims of the present invention are statutory at least because they produce a "useful, concrete and tangible result". The examiner has stated in the Office Action that the claims are directed to "determining an upsell and generating a coupon" and "generating a coupon". This falls far short of a mathematical algorithm in the abstract, which represents "disembodied concepts or truths that are not useful". *Id.*

For example, "the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces a 'useful, concrete and tangible result.'" *Id.* at 1601. Similarly, a process applying Boolean logic to determine an indicator value was found to be "comfortably" within the scope of Section 101. *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999).

Coincidentally, the present invention may be characterized as quite similar to that held patentable in *State Street Bank*. For example, several of the present claims involve the transformation of data, representing discrete prices, through a series of mathematical calculations to arrive at an upsell or coupon value. This constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces a useful, concrete and tangible result. Furthermore, several of the claims include a step of printing on a coupon, which is clearly a tangible result.

Thus, the present claims are statutory even if they were construed to be related to a purely mathematical algorithm or abstract idea, which they do not. Removal of the rejection under 35 USC §101 is respectfully requested.

Conclusion

For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of

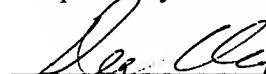
the present application, the Examiner is cordially requested to contact Dean Alderucci at telephone number (203) 905-6666 or via electronic mail at Alderucci@WalkerDigital.com.

Petition for Extension of Time to Respond

Applicants hereby petition for a **three-month extension of time** with which to respond to the Office Action. Please charge \$435.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,



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